

March 2, 1999

## ERRATA

**TO:** COUNTY WELFARE DIRECTORS  
COUNTY FISCAL OFFICERS  
COUNTY AUDITOR CONTROLLERS  
COUNTY PROBATION OFFICERS  
COUNTY DISTRICT ATTORNEYS

**SUBJECT:** CALIFORNIA WORK OPPORTUNITY AND  
RESPONSIBILITY TO KIDS (CALWORKS)  
PERFORMANCE INCENTIVES

**REFERENCE:** COUNTY FISCAL LETTER (CFL) NO. 98/99-54

This errata transmits information regarding the reporting of CalWORKs performance incentive earnings. The above referenced CFL instructed counties to report cases that have a grant reduction due to employment earnings. The summary sheet CW 801.1, Earned Employment Income Incentive Summary, is the form counties are instructed to use to display cases that are reported for incentive earnings.

Attached is a replacement for page 3 of the above referenced CFL, and revisions for CW 801.1 (Attachment 3 of the CFL) and CW 801 (Attachment 5). The changes to the CFL and the forms and instructions are as follows:

- **CFL 98/99-54, Page 3, Section I.A.2, Increased Earnings:** *“The increased earnings for incentive purposes is the net earned income that results in the grant reduction. The grant savings will be the difference of the monthly grant amount and the actual reduced grant paid as a result of employment earnings for that month. Counties will receive 75 percent of the grant savings. (See Attachment 3.)”*
- **CFL 98/99-54 Attachment 3, CW 801.1:**
  1. The **heading of Column E**, Incentive Earning (Grant Reduction) has been changed to, Column E, Incentive Earning (*Net Earned Income*). **Footnote added** regarding instructions for cases with “zero grant payments”.
  2. The **instructions for Column E** have been revised to correspond with the form change and now states: *“For incentive earnings, enter the net earned income that results in grant reduction. For TOTAL FFP, enter the total net earned income amount that results in grant reduction for cases that have federal participation. For TOTAL State Only, enter the total net earned income amount that results in*

grant reduction for cases that are non-federally eligible. [Note: For Zero Grant payment due to earned income, the Incentive Earning Amount is the benefit amount that the case would have received if there was no earned income. (i.e., The MAP for cases with only earned income or the MAP reduced by unearned income that is counted against the grant.)]

3. The **first case example** with earned income has been revised to reflect that only the *net earned income* of \$200 is countable as the grant reduction and is the incentive earnings for the case. The totals on the form have been changed to reflect this correction.
- **CFL 98/99-54 Attachment 5, CW 801:** The amounts (as example) on this form have been changed to correspond with the corrected CW 801.1 example. No instructions have been revised on the CW 801.

A CFL with questions submitted by counties and the corresponding answers is forthcoming to provide counties with clarifying information regarding performance and fraud incentives. If you have any questions, regarding this information, please contact the Fiscal Policy Bureau at (916) 657-3440.

c: CWDA  
Enclosure

**A. 75 Percent Pool of Grant Savings**

**1. Exits Due to Employment**

(a) An incentive payment will be made to those counties achieving case exits due to employment that exceed the number of exits in the base and who remain off aid for subsequent six months beyond exit. The individual county base will be the average number of cases exiting aid due to employment and remaining off aid for six months during fiscal years 1994-95, 1995-96, and 1996-97. (See Attachment 1, Column L, for county base.) The incentive payment will be the grant savings achieved for months one through six.

(1) A county that is disadvantaged by the three-year average base, which resulted in a caseload decrease that is above the statewide caseload median, as determined by the Department, may select an alternate single base year. (See Attachment 1, Column H, for the median. A county above the statewide median may select a base year from Columns I through K.)

(b) Counties that have cases exceeding the base and continuing to stay off aid will be paid an incentive for months seven through twelve for each month remaining off aid continually due to employment.

The grant savings will be calculated using the individual county's prior SFY monthly average grant amount. (See Attachment 2.) Counties will receive 75 percent of these savings.

**2. Increased Earnings**

All counties will receive incentive payments for cases with earnings due to employment that result in a reduction of the case grant level.

The increased earnings for incentive purposes is the net earned income that results in the grant reduction. Counties will receive 75 percent of the grant savings. (See Attachment 3.)

**3. Diversion**

Counties will receive incentive payments for individuals determined eligible for the Diversion Program that stayed off aid for six months in addition to the number of months equivalent to the diversion payment. (See Attachment 4.)

The value of the Diversion incentive payments will be six months of the county's prior SFY monthly average grant. (See Attachment 2.) This value is effective January 1998 through June 1999. CDSS, in conjunction with the County Welfare

MONTH/YEAR
November 1998
COUNTY NAME
Yuba

☒ FAMILY GROUP (FG)      ☐ UNEMPLOYED (U)

CW 801.1 (2/99)

## INSTRUCTIONS FOR USE OF THE FORM CW 801.1

**General Instructions:** This summary should only reflect the cases which qualify for performance incentives due to grant reduction for the month reported. Cases with subsidized employment wages and cases discontinued because of increased earnings should not be included. Counties should retain this summary. DO NOT SUBMIT WITH CW 801.

1. Enter month/year and county name.
2. **Column A** - Enter the case or county identification number. Cases that qualify for performance incentives must have a grant reduction due to earnings (i.e., cases with disability unearned income greater than \$225 and earned employment income or cases with disability unearned income less than \$225 and earned employment income which combined are greater than \$225 or cases with earned employment income greater than \$225.) All appropriate disregards (i.e., \$225 disregard, and 50% disregard of the remaining earned income) should be applied to the income and the result is a grant reduction due to the net earned income. Reference ACL 98-45 dated July 1, 1998, Grant Structure and Aid Payment Regulation.
3. **Column B** - Enter case name.
4. **Column C** - Enter the gross income amount for cases that have both disability-based unearned income and employment income.
5. **Column D** - Enter the gross income amount for cases that have employment income only.
6. **Column E** - For incentive earnings, enter the net earned income that results in grant reduction. For TOTAL FFP, enter the total net earned income amount that results in grant reduction for cases that have federal participation. For TOTAL State Only, enter the total net earned income amount that results in grant reduction for cases that are non-federally eligible. [NOTE: For Zero Grant Payment due to earned income, the Incentive Earning Amount is the benefit amount that the case would have received if there was no earned income (i.e., The MAP for cases with only earned income or the MAP reduced by unearned income that is counted against the grant.)]
7. Total the FFP and State Only<sup>1</sup> columns within Column E and enter the amounts on the CW 801, Lines 2B and Line 4B, respectively.
8. Total the Incentive Earnings by adding the FFP and State Only Incentive Earnings (Column E). Enter this amount on the CW 801 Line 1.

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(1) State Only cases are legal immigrant cases funded with state and county funds.

(2) For incentive earnings of mixed legal immigrant cases, the incentives should be proportionately reported as state and federal funds.

**SUMMARY REPORT OF PERFORMANCE INCENTIVES  
FOR GRANT REDUCTIONS  
DUE TO EMPLOYMENT EARNINGS AND DIVERSION  
FOR THE CALIFORNIA WORK OPPORTUNITY AND  
RESPONSIBILITIES TO KIDS (CalWORKs)**

(Instructions on Reverse Side of Form)

COUNTY Yuba	DATE (MONTH, YEAR) November 1998
CONTACT PERSON	TELEPHONE ( )
<input checked="" type="checkbox"/> Family Group (FG) <input type="checkbox"/> Unemployed (U)	

GRANT REDUCTIONS DUE TO EMPLOYMENT EARNINGS	
A. Number of Cases	B. AMOUNTS
3	750
2	350
	( 9 )
1	400
	( 20 )
	721

1. Total Savings
2. Cases with FFP
3. County Share of Savings (Line 2B x .025)
4. State Only Cases
5. County Share of Savings (Line 4B x .05)
6. **TOTAL EMPLOYMENT EARNINGS INCENTIVE**  
[Line 1B - (Line 3B + Line 5B)]

DIVERSION	
Number of Cases	AMOUNTS
1	2542
1	2542
	( 64 )
0	0
	( 0 )
	2478

7. Total Savings
8. Cases with FFP
9. County Share (Line 8B x .025)
10. State Only Cases
11. County Share of Savings (Line 10B x .05)
12. **TOTAL DIVERSION INCENTIVE**  
[Line 7B - (Line 9B + 11B)]

**13. GRAND TOTALS**

A. Total Incentive Value (6B + 12B)	B. 75% Incentive Pool (13A x .75)	C. 25% Incentive Pool (13A x .25)
3199	2399	800

**Certification and Signatures**

I hereby certify, under penalty of perjury, that I am the official responsible for the administration of California Work Opportunity And Responsibility To Kids (CalWORKs) in and for aforesaid county; that I have not violated any of the provisions of Section 1090 to 1096, inclusive, of the Government Code; that the amounts reported herein are in accordance with all provisions of the Welfare and Institutions Code and the rules and regulations of the Department of Social Services.

SIGNATURE OF COUNTY WELFARE DIRECTOR

DATE

SIGNATURE OF COUNTY AUDITOR OR CONTROLLER

DATE

# INSTRUCTIONS FOR USE OF FORM CW 801 (INCENTIVES)(FG AND U)

(Submit Report to : CDSS, Financial Services Bureau, County Assistance Payment Unit, 744 P Street, M.S. 13-72, Sacramento, CA 95814)

## GENERAL INFORMATION

1. Enter county name, and month and year of report in space provided.
2. Enter name and telephone number of county staff person to be contacted if there are any questions regarding this report.
3. Check the appropriate Family Group (FG) or Unemployed (U) box.
4. All amounts on this form may be rounded to the nearest dollar.

## GRANT REDUCTIONS DUE TO EMPLOYMENT EARNINGS

5. Line 1A: Enter the total number of cases that had a grant reduction as a result of earnings due to employment.
6. Line 1B: Enter the total incentive earnings as computed on the county's Earned Employment Income Incentive Summary (CW 801.1).
7. Line 2A: From the total number of cases in Line 1A, enter the number of cases that included Federal Financial Participation (FFP) funds.
8. Line 2B: Enter the total amount of savings that included FFP from CW 801.1.
9. Line 3B: Enter the amount of county share of savings for cases with FFP (Line 2B times .025 county share).
10. Line 4A: From the total number of cases in Line 1A, enter the number of cases that were non-federally funded (i.e., legal immigrant) and had a grant reduction due to employment earnings.<sup>1</sup>
11. Line 4B: Enter the total amount, both state and county share of funds, for the non-federally funded cases that resulted in incentive earnings from CW 801.1.
12. Line 5B: Enter the amount of county share of savings for state only cases (Line 4B times .05 county share).
13. Line 6B: Compute and enter the total employment earnings incentive amount [Line 1B minus (Line 3B plus Line 5B)]

## DIVERSION

14. Line 7A: Enter the total number of cases that have stayed off aid for six months in addition to the the diversion period.
15. Line 7B: Enter the total incentive earnings as computed on the County's Diversion Grant Savings Summary (CW 801.2).
16. Line 8A: From the total number of cases in Line 7A, enter the number of cases that included FFP funds.
17. Line 8B: Enter the total amount of savings that include FFP from CW 801.2.
18. Line 9B: Enter the amount of county share for cases with FFP (Line 8B times .025 county share).
19. Line 10A: From the total number of cases in Line 7A, enter the number of non-federally funded (i.e., legal immigrant) cases and have stayed off aid for six months in addition to the diversion period.<sup>1</sup>
20. Line 10B: Enter the total amount, both state and county share of funds for non-federally funded diversion cases that result in incentive earnings from CW 801.2.
21. Line 11B: Enter the of savings for state only cases (Line 10B times .05 county share).
22. Line 11B: Compute and enter with the total diversion incentive amount [Line 7B minus (Line 9B plus Line 11B.)]

## COMPUTE GRAND TOTAL FOR DISTRIBUTION OF INCENTIVE POOLS

23. Line 13A: Enter the total of the incentive earnings – Add Lines 6B and 12B.
24. Line 13B: Complete with 75 percent of the amount of the total incentive earnings - Multiply Line 13A times .75.
25. Line 13C: Complete with 25 percent of the amount of the total incentive earnings - Multiply Line 13A times .25.

<sup>1</sup> For incentive earnings of mixed legal immigrant cases, the incentive should be proportionately reported as state and federal funds.